

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 93-002-E - ORDER NO. 93-865✓
SEPTEMBER 14, 1993

IN RE: Semiannual Review of Base Rates)ORDER APPROVING JOINT
 for Fuel Costs of Carolina Power)STIPULATION AND
 & Light Company.)APPROVING BASE RATES
)FOR FUEL COSTS

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Joint Stipulation of Carolina Power & Light Company (CP&L), the Consumer Advocate for the State of South Carolina (the C.A.), Nucor Steel, A Division of Nucor Corporation (Nucor), and the Commission Staff. The Joint Stipulation settles the issues which would have been raised during CP&L's fuel recovery proceeding scheduled for November 2, 1993.

Paragraph 2 of the Joint Stipulation states as follows:

Following the establishment of Docket No. 93-002-E, all parties engaged in extensive settlement negotiations. As a result of these negotiations all parties have agreed to settle this matter upon the following terms and conditions:

a. This settlement covers all events, issues, and circumstances related to the Brunswick Plant existing on or before June 30, 1993 for fuel case purposes. It does not include consideration of any acts of imprudence that occur or are initially discovered after such date. This Agreement also does not cover issues related to the appropriate accounting treatment of any expenditures.

b. CP&L shall forego the recovery of \$15.6 million of

the fuel expenses incurred by CP&L during the Brunswick Nuclear Plant outage that began on April 21, 1992 as follows: (i) the actual amount of CP&L's fuel expense underrecovery in South Carolina as of September 30, 1993 shall be foregone in 1993 (CP&L currently estimates this amount to be \$14.7 million); and (ii) the difference between \$15.6 million and the amount foregone in 1993 shall be foregone on or before October 1, 1994.

c. CP&L's fuel factor for the time period October 1, 1993 through March 31, 1994 shall be 1.425 cents per kwh.

d. This settlement covers all events, issues, and circumstances relating to the operation of all of CP&L's generating units on or before June 30, 1993, and any other matters involving CP&L's fuel costs during the period January 1, 1993 through June 30, 1993. This settlement also covers all events, issues, and circumstances regarding the appropriate fuel factor to be used by CP&L during the time period October 1, 1993 through March 31, 1994.

The Commission construes Paragraph 2(a) to mean that the settlement covers all outages related to the Brunswick Steam Electric Plant between April 21, 1992 and June 30, 1993 for fuel case purposes. It does not include consideration of any acts of imprudence that may occur or have occurred that may cause an outage after June 30, 1993. Otherwise, all prior outages have been litigated and ended in prior fuel cases except those on appeal.

The Commission construes Paragraph 2(d) to mean that the settlement covers all outages relating to the operation of all CP&L generating units and other matters involving CP&L fuel costs during the period January 1, 1993 through June 30, 1993. It does not include consideration of any acts of imprudence that may occur or have occurred that may cause an outage after June 30, 1993.

Otherwise, all prior outages have been litigated and ended in prior fuel cases except those on appeal. This settlement also covers all events, issues and circumstances regarding the appropriate fuel factor to be used by CP&L during the time period October 1, 1993 through March 31, 1994.

After review of the terms of the submitted agreement, the Commission finds and concludes that the Joint Stipulation should be and is hereby accepted and adopted by this Commission.

IT IS THEREFORE ORDERED THAT:

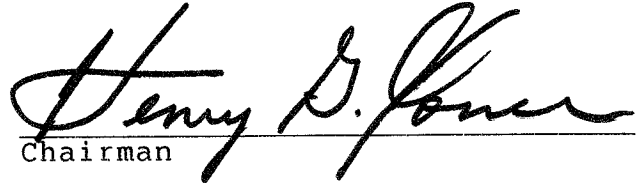
1. The base fuel factor for the period October 1, 1993 through March 31, 1994 is set at 1.425 cents per kilowatt-hour.

2. Within ten (10) days of the date of this Order, CP&L shall file with the Commission the appropriate rate schedules designed to incorporate the findings herein and an Adjustment for Fuel Costs as demonstrated by Appendix A.

3. CP&L shall fully respond to discovery from all parties and from the Commission Staff in an open and expeditious manner in all proceedings before the Commission.

4. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

CAROLINA POWER & LIGHT COMPANY
Adjustment for Fuel Costs

APPLICABILITY

This adjustment is applicable to and is a part of the Utility's South Carolina retail electric rate schedules.

The Public Service Commission has determined that the costs of fuel in an amount to the nearest one-thousandth of a cent, as determined by the following formula, will be included in the base rates to the extent determined reasonable and proper by the Commission for the succeeding six months or shorter period:

$$F = \frac{E}{S} + \frac{G}{S_1}$$

Where:

F= Fuel cost per Kilowatt-hour included in base rate, rounded to the nearest one-thousandth of a cent.

E= Total projected system fuel costs:

(A) Fuel consumed in the Utility's own plants and the Utility's share of fuel consumed in jointly owned or leased plants. The cost of fossil fuel shall include no items other than those listed in Account 151 of the Commission's Uniform System of Accounts for Public Utilities and Licensees. The cost of nuclear fuel shall be that as shown in Account 518 excluding rental payments on leased nuclear fuel and except that, if Account 518 also contains any expense for fossil fuel which has already been included in the cost of fossil fuel, it shall be deducted from this account.

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(B) Purchased power fuel costs such as those incurred in unit power and Limited Term power purchases where the fuel costs associated with energy purchased are identifiable and are identified in the billing statement.

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(C) Interchange power fuel costs such as Short Term, Economy, and other where the energy is purchased on economic dispatch basis.

Energy receipts that do not involve money payments such as Diversity energy and payback of storage energy are not defined as purchased or interchange power relative to this fuel calculation.

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(D) The cost of fuel recovered through intersystem sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.

Energy deliveries that do not involve billing transactions such as Diversity energy and payback of storage are not defined as sales relative to this fuel calculation.

S = Projected system kilowatt-hour sales excluding any intersystem sales.

G = Cumulative difference between jurisdictional fuel revenues billed and fuel expenses at the end of the month preceding the projected period utilized in E and S.

S₁ = Projected jurisdictional kilowatt-hour sales for the period covered by the fuel costs included in E.

The appropriate revenue related tax factor is to be included in these calculations.

The fuel cost (F) as determined by Public Service Commission of South Carolina Order No. 93-865 for the period October 1993 through March 1994 is 1.425 cents per kilowatt-hour.